

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 2086 - SB 2314

February 11, 2022

SUMMARY OF BILL: Expands, from teachers to all local education agency (LEA) employees, to allow: (1) children of out-of-state employees to attend a school within the LEA that employs the out-of-state parent; (2) children of out-of-state employees to receive the out-of-state tuition exemption; and (3) children of a parent who is employed by an LEA outside of the LEA of the parent's residence to attend a school within the LEA that employs the non-resident parent.

FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- Tennessee Code Annotated § 49-6-403(f) requires every local board of education to collect tuition from students who are not living in Tennessee at the same rate as the average cost per student in the system attended; however, a child of a teacher residing outside the state may attend a school within the school district where the nonresident teacher is employed at no tuition charge. These students shall not be counted in computing the average daily membership (ADM) for purposes of receiving state school funds.
- The basic education program (BEP) will include out-of-state students who do not pay tuition pursuant to Tenn. Code Ann. § 49-6-403(f) in computing the ADM for purposes of receiving state school funds.
- If there is an increase in the number of out-of-state students that enroll in a school without having to pay tuition, a decrease in local tuition revenue may occur.
- In-state students that attend a school within an LEA that employs the students' parent, that is outside of the LEA of the student's parent's residence, will pay that school tuition, resulting in an increase in local tuition revenue.
- The number of students to which this legislation will apply is not known, but it is estimated that very few students would select to attend a school in an LEA that will require a tuition payment.
- Any increase in the ADM for an LEA due to in-state students will increase state expenditures through the BEP, which may result in a required local match increase.
- Enrollment fluctuates across LEAs each year and ADM is not estimated to deviate significantly from average levels as a result of this legislation.

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- Based on historical local maintenance of effort levels, no local school district is anticipated to need to increase their BEP local match contributions as a result of the proposed legislation.
- The BEP will account for any increase or decrease in enrollment per LEA; the overall statewide net local fiscal impact is estimated to be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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